1. Separation Incentives
   1. Income Replacement Payment
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2. Last Regular Pay Check
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   1. Under 65
   2. Over 65
4. Retirement Benefits
5. Separation Agreement
6. Subsequent Employment
7. Important Dates
8. Contacts
Questions

Early Retirement Incentive Plan
Email

erip2013@iu.edu
## Separation Incentives

**Income Replacement Payment**

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>Lump-sum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Employees</td>
<td>Six-Months of Base Salary/Wages</td>
</tr>
<tr>
<td>Academic Employees</td>
<td>Annual Base Salary</td>
</tr>
<tr>
<td>18/20</td>
<td>Two times Annual Base Salary</td>
</tr>
</tbody>
</table>
Separation Incentives

**Income Replacement Payment**

- The Income Replacement Payment amounts are calculated based on the employee’s base salary/wage on February 1, 2014.
- Payment is made by paper check & mailed during the last week in June 2014.
- Payment **cannot** be deferred to retirement accounts.
- Taxes are withheld from payment.
Separation Incentives

Income Replacement Payment

- Applicable tax withholdings for most participants:
  - Federal: 25%
  - IN State: 3.4%
  - Social Security: 6.2% (up to income limit)
  - Medicare: 1.45%
  - Local: Varies by IN Counties*

*Local taxes are determined by the county in which the employee works and lives; there is a resident and non-resident rate for each county.
## Separation Incentives

### Health Reimbursement Account (HRA)

<table>
<thead>
<tr>
<th>Medical Plan Coverage</th>
<th>Annual Contribution to HRA for up to five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$7,400</td>
</tr>
<tr>
<td>Employee with Child</td>
<td>$14,600</td>
</tr>
<tr>
<td>Employee with Spouse</td>
<td>$17,900</td>
</tr>
<tr>
<td>Family</td>
<td>$20,300</td>
</tr>
<tr>
<td>Medicare Age (65)</td>
<td>$7,400</td>
</tr>
</tbody>
</table>
Separation Incentives

Health Reimbursement Account (HRA)

• The HRA amounts are calculated based on the employee’s IU medical insurance enrollment on February 1, 2014

• HRA debit cards & packets mailed towards the end of May 2014

• HRA accounts active on June 1, 2014
Separation Incentives

Health Reimbursement Account (HRA)

• Reimbursement for:
  - Medical premiums
  - Deductible and copayments
  - Dental
  - Other IRS qualified healthcare expenses
  - Eyeglasses
  - Prescription drugs
  - Preventive care

• Balance carries forward into the following year, for five years
• HRA balance can be used by surviving dependents
• Any unused balance at the end of five years is forfeited
Last Regular Pay Check

Monthly Paid Employees

Friday, May 30, 2014
• Includes payment to Staff employees for unused paid time-off

Bi-weekly Paid Employees

Friday, June 20, 2014
• Includes payment to Staff employees for unused paid time-off
Medical Insurance Continuation

If you are currently enrolled in an Indiana University medical insurance plan, the coverage will end on May 31, 2014.
Medical Insurance Continuation

Employee and/or dependents under 65

- COBRA continuation in any IU medical plan for up to 18 months or Medicare age (65)
- After COBRA, enrollment in the PPO $900 Deductible medical plan until Medicare age (65)
- COBRA paperwork will be sent in June 2014, coverage is retroactive as of separation date
- Must sign up for COBRA within 60 days of the date of separation or the date of the COBRA letter, whichever is later
- Separated employees pay the full premium amount within 45 days of the election
# Medical Insurance Continuation

## 2014 COBRA Rates

<table>
<thead>
<tr>
<th>IU PPO $500 Deductible</th>
<th>IU PPO $900 Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Premiums</strong></td>
<td><strong>Monthly Premiums</strong></td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td><strong>Medical</strong></td>
</tr>
<tr>
<td><strong>One participant</strong></td>
<td><strong>One participant</strong></td>
</tr>
<tr>
<td>$688.26</td>
<td>$  594.88</td>
</tr>
<tr>
<td><strong>One participant and child(ren)</strong></td>
<td><strong>One participant and child(ren)</strong></td>
</tr>
<tr>
<td>$1,363.33</td>
<td>$1,186.62</td>
</tr>
<tr>
<td><strong>Participant and spouse</strong></td>
<td><strong>Participant and spouse</strong></td>
</tr>
<tr>
<td>$1,669.81</td>
<td>$1,450.63</td>
</tr>
<tr>
<td><strong>Participant and family</strong></td>
<td><strong>Participant and family</strong></td>
</tr>
<tr>
<td>$1,895.98</td>
<td>$1,647.41</td>
</tr>
</tbody>
</table>
## Medical Insurance Continuation

### 2014 COBRA Rates

<table>
<thead>
<tr>
<th>IU HDHP PPO</th>
<th>IU Health Quality Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Premiums</strong></td>
<td><strong>Monthly Premiums</strong></td>
</tr>
<tr>
<td><strong>One participant</strong></td>
<td><strong>One participant</strong></td>
</tr>
<tr>
<td><strong>One participant and child(ren)</strong></td>
<td><strong>One participant and child(ren)</strong></td>
</tr>
<tr>
<td><strong>Participant and spouse</strong></td>
<td><strong>Participant and spouse</strong></td>
</tr>
<tr>
<td><strong>Participant and family</strong></td>
<td><strong>Participant and family</strong></td>
</tr>
</tbody>
</table>
Medical Insurance Continuation

Employee and/or dependents over 65

- MEDICARE becomes primary insurance
- Employees with IU Retiree status will be eligible for the Blue Retiree Medicare Supplement plan

<table>
<thead>
<tr>
<th>Monthly Retiree Premiums</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>One Participant (Retiree or surviving spouse)</td>
<td>$186.61</td>
</tr>
<tr>
<td>Retiree and Spouse</td>
<td>$373.16</td>
</tr>
</tbody>
</table>

Medicare: [www.medicare.gov](http://www.medicare.gov)
Phone Number: 1-800-MEDICARE

State Health Insurance Assistance Program (SHIP): [www.medicare.in.gov](http://www.medicare.in.gov)
Phone Number: 1-800-452-4800
Retirement Income Benefits

- University HR Retirement Program Services
  - retplans@iu.edu
  - 812-856-5191


- PERF
  - 1-888-526-1687
  - [www.in.gov/inprs/](http://www.in.gov/inprs/)

- IU-sponsored Retirement Plan Authorized Investment Companies
  - Fidelity
    - Service: 1-800-343-0860
    - Appointment Scheduling: 1-800-642-7131
  - TIAA-CREF
    - Service: 1-800-842-2776
    - Appointment Scheduling: 1-800-732-8353
Separation Agreement

• If you have not picked-up or received your separation agreement contact University HR

• Seven days to revoke agreement after signature

• Signed separation agreement due to University HR by March 21, 2014

• Not Final until signed by employee and the University

• Executed copy will be sent with Income Replacement Payment Check
Subsequent Employment

- Cannot be reemployed by IU in any position for 30 days following May 31, 2014
- Cannot be reemployed by IU in any full-time (0.75 FTE) position for five years following May 31, 2014
Important Dates

• March 21, 2014 – Signed Separation Agreement
• May 16, 2014 – Last Day for monthly paid employees to make changes to TDA deductions
• Week of May 19, 2014 – HRA packets mailed
• May 23, 2014 – Last Day for bi-weekly paid employees to make changes to TDA deductions
• May 30, 2014 – Monthly final regular paycheck
• May 31, 2014 – Separation Date
Important Dates

• June 1, 2014 - Employees can access HRA

• June 20, 2014 – bi-weekly final regular paycheck

• Week of June 23, 2014 – Income Replacement Payment Check mailed with copy of executed separation agreement

• Month of June 2014 – COBRA benefit information mailed
University HR Contacts

• **IU Retiree Status / IU Medicare Supplemental Plan** – Karen Hill at kashill@iu.edu

• **COBRA** – Linda Ross at liross@iu.edu

• **HRA** – Danielle Abplanalp at daabplan@iu.edu

• **Retirement Plans** – University HR Retirement Program Services at retplans@iu.edu.

• **Separation Agreement & General Plan** – Scott Shimoda at sshimoda@iu.edu